

CHRISTOPHER J. LEE
26TH DISTRICT, NEW YORK

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FINANCIAL INSTITUTIONS AND
CONSUMER CREDIT

OVERSIGHT AND INVESTIGATIONS

HOUSING AND COMMUNITY OPPORTUNITY

Congress of the United States
House of Representatives
Washington, DC 20515

1711 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5265

325 ESSJAY ROAD, SUITE 405
WILLIAMSVILLE, NY 14221
(716) 834-2324

1577 WEST RIDGE ROAD
GREECE, NY 14615
(585) 663-5570

<http://chrislee.house.gov/>

April 2, 2010

The Honorable Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Obama:

The United States Trade Representative's March 31, 2010 "Report on Technical Barriers to Trade" neglects to mention one of the most significant barriers to fair and free trade with China – that nation's deliberate undervaluing of its currency. The omission of this unfair trading practice is unacceptable, and it sends the wrong message to American workers struggling in these difficult economic times.

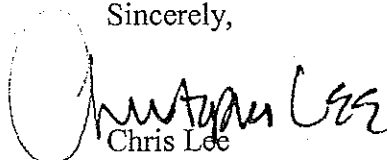
China continues to manipulate its currency as a means to undercut American manufacturing exports, illegally subsidizing its own goods by as much as 40 percent, according to a broad range of economists. We cannot expect American workers to compete with Chinese manufacturers when Chinese manufacturers effectively receive a 40 percent subsidy on their exports. Having run a manufacturing company prior to being elected to Congress, I understand the negative impact this has on U.S. manufacturers and workers, who only seek a level playing field on which to compete.

As you know, legislation has been introduced in Congress that would reduce the unfair comparative advantages that command economies can use against market economies. The Currency Reform for Fair Trade Act (H.R. 2378, S. 1027) would target exchange rate discrepancies between the U.S. Dollar, Chinese Yuan, and other major trading partners to protect American workers from unfair trading practices. I hope you will support this legislation as you did during the 110th Congress.

I look forward to the Treasury Department's April 15 report to Congress on international exchange-rate policies, and remain hopeful that your Administration would take action to address the impact that China's trade policies are having on American manufacturers and workers.

Thank you for your prompt attention to this matter.

Sincerely,



Chris Lee

Member of Congress

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